

**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE COMPANY  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004**

**APPENDIX B**

**FORM OF ACCREDITED INVESTOR LETTER**



\_\_\_\_\_, 2005

Chairman and Members  
Monroe County Industrial Development  
Authority

Livermore, Freeman & McWilliams, P.A.  
Jacksonville, Florida

Re: \$\_\_\_\_\_ Monroe County Industrial Development Authority  
Industrial Development Revenue Bonds (North Key Largo Utility Corp.  
Project), Series 2005

Ladies and Gentlemen:

In connection with the issuance of \$\_\_\_\_\_ of the above-styled Bonds (the "Bonds") of Monroe County Industrial Development Authority (the "Issuer"), for the benefit of North Key Largo Utility Corp. (the "Company"), to the undersigned owner (the "Owner"), the Owner hereby makes the following representations, which are solely for the benefit of the persons to whom this letter is addressed and are not to be relied upon by any other person for any other purpose:

1. He or she, as applicable (herein "he"), is an "accredited investor," within the meaning of §230.501(a) of Regulation D under the Securities Act of 1933, as amended (collectively, the "Act"), since he is a natural person (a) whose individual net worth, or joint net worth with that person's spouse, at the time of purchase exceeds \$1,000,000; or (b) who had an individual income in excess of \$200,000 in each of the 2 most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year.
2. He has been offered copies of or full access to all documents related to the Bonds and all records, reports, financial statements and other information pertinent to the source of payment for the Bonds to which a reasonable investor would attach significance in making investment decisions, and which have been requested by him (provided that he does not waive any rights he may have against the Company or its representatives, with respect to any information so supplied or any misstatements or omissions).
3. He is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of municipal and other tax-exempt and taxable obligations, to be able to evaluate the risks and merits of the investment represented by the Bonds, and he is aware of the intended use of the proceeds of the Bonds and the risks involved therein.
4. He is accepting the Bonds solely for his own account and not on behalf of others, and with no present intent to resell or otherwise to distribute all or any part of or interest in the Bonds.
5. He has been informed by the Company and agrees that the Bonds (a) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service and (d) are not likely to be readily marketable.



6. He will not offer, sell or otherwise dispose of all or any part of or interest in the Bonds, except (a) in full good faith compliance with all applicable securities registration, broker-dealer, antifraud and other applicable provisions of state and federal laws; (b) either under effective federal and state registration statements (which neither the Issuer nor the Company shall in any way be obligated to provide) or upon delivery of an opinion of recognized counsel to the effect that the Bonds are being offered, sold or otherwise disposed or pursuant to exemptions from such registrations; and (c) in denominations of \$100,000 or integral multiples thereof, or as otherwise permitted by the Bond Trust Indenture with respect to the Bonds.

7. He is not acting as a bond house, broker or other intermediary with respect to any offering of the Bonds; he is not an underwriter for the Bonds; and he has not paid and will not pay any bonus, fee or gratuity to any "finder," within the meaning of Section 218.386, Florida Statutes, in connection with the delivery of the Bonds to him by the Issuer.

8. The Owner acknowledges and agrees that (a) the Issuer is acting only as a conduit in connection with the issuance of the Bonds; (b) no revenues or money of the Issuer, other than the right to receive loan payments from the Company with respect to the Bonds, or mortgage foreclosure proceeds, have been pledged to the repayment of the Bonds; (c) the Issuer makes no representation or warranty whatsoever with respect to the sufficiency of future revenues to pay debt service on the Bonds; and (d) the Issuer makes no representation or warranty regarding the accuracy or completeness of the information supplied to the Owner by the Company or any other person regarding the Bonds or the facilities financed thereby.

9. He agrees to indemnify and hold harmless the Issuer and the Company, their respective officers, employees, agents and counsel,, from any and all losses, claims, damages, liabilities and expenses arising out of violations of any of the statements, waivers, covenants or representations of the Owner contained in this letter; and waives any cause of action it might otherwise have against the Issuer for information contained in, or omissions from, any offering documents or any other information supplied to the Owner regarding the Bonds.

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name: \_\_\_\_\_

\_\_\_\_\_  
Contact address and phone number:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_